

CHILDREN AND FAMILIES

Budget Summary						FTE Position Summary				
Fund	2016-17 Adjusted Base	Governor		2017-19 Change Over Base Year Doubled		2016-17	Governor		2018-19 Over 2016-17	
		2017-18	2018-19	Amount	%		2017-18	2018-19	Number	%
GPR	\$459,297,700	\$461,650,700	\$464,061,500	\$7,116,800	0.8%	231.92	232.17	232.17	0.25	0.1%
FED	707,936,400	699,448,900	734,981,100	18,557,200	1.3	375.27	377.93	376.93	1.66	0.4
PR	110,803,900	112,175,800	111,367,600	1,935,600	0.9	190.82	185.91	176.31	- 14.51	- 7.6
SEG	9,274,700	9,274,700	9,274,700	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	\$1,287,312,700	\$1,282,550,100	\$1,319,684,900	\$27,609,600	1.1%	798.01	796.01	785.41	- 12.60	- 1.6%

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Governor: Make adjustments to the base budget of -\$489,600 in 2017-18 and -\$458,100 in 2018-19 for: (a) turnover reduction (-\$290,600 GPR, -\$83,600 FED, and -\$305,900 PR annually); (b) removal of non-continuing items (-\$79,900 FED and -2.00 FED positions in 2017-18 and -\$159,800 FED and -2.00 FED positions in 2018-19); (c) full funding of continuing position salaries and fringe benefits (-\$426,200 GPR, -\$153,600 FED, and -\$282,100 PR annually); (d) overtime (\$737,800 GPR, \$20,700 FED, and \$4,200 PR annually); (e) night and weekend differential pay (\$130,100 GPR, \$11,300 FED, and \$1,300 PR annually); (f) full funding of lease and directed moves costs (\$886,400 GPR, -\$731,700 FED, and \$72,200 PR in 2017-18 and \$932,200 GPR, -\$701,100 FED, and \$107,200 PR in 2018-19); and (g) minor transfers within the same appropriation. These amounts do not include adjustments for administrative costs of the Wisconsin Shares child care subsidy program or the Wisconsin Works (W-2) program (\$329,200 FED in 2017-18 and \$233,500 FED and -1.0 FED position in 2018-19), which are included in separate entries under "Economic Support and Child Care."

	Funding	Positions
GPR	\$2,120,800	0.00
FED	- 2,082,900	- 2.00
PR	<u>- 985,600</u>	<u>0.00</u>
Total	- \$947,700	- 2.00

2. FEDERAL AND PROGRAM REVENUE REESTIMATES

Governor: Provide increases of \$8,853,000 (\$6,607,400 FED and \$2,245,600 PR) in 2017-18 and \$3,654,700 (\$2,252,300 FED and \$1,402,400 PR) in 2018-19 to

FED	\$8,859,700
PR	<u>3,648,000</u>
Total	\$12,507,700

reflect the reestimates in the following table:

Program and Federal Revenue Reestimates

	<u>2017-18</u>	<u>2018-19</u>
Abstinence Grant Funding (FED)	\$641,900	\$641,900
Chafee Education and Training Vouchers Funding (FED)	42,000	42,000
Chafee Foster Care Independence Program Funding (FED)	112,000	112,000
Child Abuse Prevention and Treatment Act (CAPTA) Funding (FED)	495,700	495,700
CAPTA Training and Technical Assistance Funding (FED)	-155,700	-155,700
Child Support Noncustodial Parent Employment Demonstration (FED)	-205,100	-400,000
Community Services Block Grant Funding (FED)	733,500	733,500
Domestic Abuse Funding (FED)	182,700	182,700
Home Visiting Funding (FED)	2,773,100	2,506,500
Race to the Top Funding (FED)	-3,481,000	-7,184,900
Refugee Assistance Funding (FED)	-181,700	-181,700
State Foster Care and Adoption Assistance (FED)	234,000	234,000
Title IV-B, Part 1 (FED)	-16,100	-16,100
Title IV-B, Part 2 (FED)	85,800	-103,900
Title IV-E (FED)*	5,185,300	5,185,300
Noncustodial Parent Access and Visitation Program Funding (FED)	161,000	161,000
Domestic Abuse Grants (PR)	-33,200	-33,200
Fee Collections (PR)	1,965,500	1,537,600
Income Augmentation Funds for SAFE Milwaukee (PR)	100,000	-300,000
Social Services Block Grant Operations Funding (PR)	221,300	221,300
Social Services Block Grant Aids (PR)	<u>-8,000</u>	<u>-23,300</u>
FED Total	\$6,607,400	\$2,252,300
PR Total	<u>2,245,600</u>	<u>1,402,400</u>
Total	\$8,853,000	\$3,654,700

*Reestimates for Title IV-E include \$419,700 in 2017-18 and \$404,400 in 2018-19 which were already included into the cost to continue estimates for children and family aids, see "Children and Families," below. Estimated program revenue should be reduced by these amounts.

3. TRANSFER HUMAN RESOURCES FUNCTIONS TO DOA

Governor: Delete 9.60 positions in 2018-19 associated with human resource services and payroll and benefit services. Transfer position authority to the Department of Administration (DOA) for a human resources shared agency services program. Positions would be deleted from the administrative and support services appropriation. Funding associated with the positions (\$905,100) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. Provide that on July 1, 2018, all positions (including incumbent employees holding those positions), assets and liabilities, personal property, and contracts, relating to human resource services and payroll and benefit services, as determined by the Secretary of DOA, are transferred to DOA. Provide that incumbent employees transferred to DOA would retain their employee rights and status that the employee held immediately before the transfer, and provide that

Positions	
PR	- 9.60

employees transferred to DOA who have attained permanent status would not be required to serve a probationary period.

The administration indicates that, although the positions would be transferred to DOA, the individuals holding those positions would continue to be located at DCF but would become DOA employees rather than employees of DCF.

Transfer the following functions to the Division of Personnel Management within DOA: (a) human resources; and (b) payroll and benefit services. Provide that DOA may assess agencies for services provided under the shared agency services program in accordance with a methodology determined by DOA. [See "Administration -- Transfers."]

[Bill Sections: 73, 9101(9), 9201(1), and 9401(4)]

4. TRANSFER VACANT POSITION TO ADMINISTRATION FOR INFORMATION TECHNOLOGY PURCHASING

	Funding	Positions
PR	- \$198,800	- 1.00

Governor: Transfer 1.0 vacant position to the Department of Administration "to strengthen information technology and services procurement and purchasing." Delete \$99,400 annually from DCF's administrative and support services appropriation associated with salary and fringe benefits for the position. [See "Administration -- Transfers."]

5. FUNDING AND POSITION REALIGNMENTS

Governor: Decrease funding by \$427,100 (-\$4,000 GPR, \$65,500 FED, and -\$488,600 PR) annually, and reassign positions (1.07 FED and -4.71 PR), beginning in 2017-18, to more accurately reflect the needs and organizational structure of DCF. The adjustments reflect salary, fringe, supplies and services, and positions, but do not include adjustments for administrative costs of the W-2 program (\$426,800 FED and 3.64 FED positions annually), which are included in a separate entry under "Economic Support and Child Care."

	Funding	Positions
GPR	- \$8,000	0.00
FED	131,000	1.07
PR	<u>- 977,200</u>	<u>- 4.71</u>
Total	- \$854,200	- 3.64

Children and Families

1. DIVISION OF MILWAUKEE CHILD PROTECTIVE SERVICES REESTIMATE

GPR	\$967,100
FED	<u>267,900</u>
Total	\$1,235,000

Governor: Increase funding for the Division of Milwaukee Child Protective Services by \$617,500 (\$602,400 GPR and \$15,100 FED) in 2017-18 and \$617,500

(\$364,700 GPR and \$252,800 FED) in 2018-19 to reflect the net effect of reestimates of aids expenditures, which are comprised of the following components:

- a. Increases in aids contracts (\$561,300 GPR and \$56,300 FED annually); and
- b. Changes to federal Title IV-E claiming rates (\$41,100 GPR and -\$41,200 FED in 2017-18 and -\$196,600 GPR and \$196,500 FED in 2018-19).

Base level expenditures would be maintained for out-of-home care maintenance aids. The federal funding is available under Title IV-E of the Social Security Act.

2. FOSTER CARE RATE INCREASE

GPR	\$858,200
FED	<u>281,900</u>
Total	\$1,140,100

Governor: Provide \$284,200 (\$213,900 GPR and \$70,300 FED) in 2017-18 and \$855,900 (\$644,300 GPR and \$211,600 FED) in 2018-19 to increase the rates paid to foster parents providing care and maintenance for a child. Foster care rates would increase by 2.5% beginning January 1, 2018, and increase by an additional 2.5% beginning January 1, 2019. The federal funding is available under Title IV-E of the Social Security Act.

The increased funding would support: (a) children and family aids payments for child welfare expenditures outside of Milwaukee County (\$172,600 in 2017-18 and \$519,500 in 2018-19); (b) child welfare expenditures in Milwaukee County (\$105,100 in 2017-18 and \$316,700 in 2018-19); and (c) state out-of-home care costs for adoption, foster care, and subsidized guardianship (\$6,500 in 2017-18 and \$19,700 in 2018-19). Current monthly basic maintenance rates and those under the bill are shown below.

	<u>Current Rates</u>	<u>January 2018</u>	<u>January 2019</u>
Level One	\$232	\$238	\$244
Levels Two and Above			
Under Age 5	\$384	\$394	\$404
Ages 5 through 11	420	431	442
Ages 12 through 14	478	490	502
Ages 15 and Over	499	511	524

[Bill Sections: 775 and 9406(1)]

3. CHILDREN AND FAMILY AIDS COST-TO-CONTINUE

GPR	\$693,400
FED	<u>227,800</u>
Total	\$921,200

Governor: Increase funding by \$460,600 (\$346,700 GPR and \$113,900 FED) annually for the children and families aids (CFA) allocation to reflect base reestimates and to fully fund foster care rates under current law. The federal funding is available under Title IV-E of the Social Security Act.

[Bill Section: 772]

4. CHILDREN AND FAMILY AIDS FUNDING INCREASE

FED	\$6,250,000
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Governor: Increase funding by \$1,250,000 in 2017-18 and by \$5,000,000 in 2018-19 for the children and families aids allocation to reflect increased costs of local child welfare agencies. The federal funding is available under Title IV-E of the Social Security Act. Together with the foster care rate increase and the CFA cost-to-continue funding, both of which are detailed above, the total the CFA allocation under the bill is shown in the following table. However, the bill would need to be amended to correctly reflect these totals.

	<u>2017-18</u>	<u>2018-19</u>
2016-17 Adjusted Base	\$68,327,900	\$68,327,900
Cost to Continue	460,600	460,600
Foster Care Rate Increase	172,600	519,500
CFA Funding Increase	<u>1,250,000</u>	<u>5,000,000</u>
Total CFA Allocation	\$70,211,100	\$74,308,000

[Bill Section: 772]

5. TRIBAL HIGH-COST PLACEMENT FUNDING INCREASE AND CONSOLIDATION

PR	\$495,000
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Governor: Consolidate the appropriations funded by tribal gaming receipts for unexpected or unusually high-cost of: (a) out-of-home placements of Indian children by tribal courts and subsidized guardianship payments for guardianships of Indian children ordered by tribal courts; and (b) out-of-home placements of Indian juveniles who have been adjudicated delinquent by tribal courts. Also, provide additional spending authority of \$247,500 annually for the newly-combined appropriation. Total funding under the bill would be \$717,500 annually.

[Bill Sections: 395, 396, and 2246]

6. SERVICES FOR CHILD VICTIMS OF SEX TRAFFICKING

GPR	\$2,000,000
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Governor: Increase funding by \$2,000,000 in 2018-19 to reestimate the costs of out-of-home placements, services, and treatment under current law for children and youth who have been or are at risk of alleged sex trafficking. Total funding under the bill would be \$2,000,000 GPR in 2017-18 and \$4,000,000 GPR in 2018-19.

Further, the bill would grant juvenile courts exclusive original jurisdiction over any child who is a victim of, or at a substantial risk of becoming the victim of, child sex trafficking. Under current law, juvenile courts have exclusive original jurisdiction over any child who is alleged to be in need of protection or services (CHIPS). CHIPS jurisdiction applies to any child who meets certain criteria, including that the child has been a victim of, or is at substantial risk of becoming a victim of, certain types of abuse (such as physical injury and sexual assault). Although abuse is defined under current law as including a violation of the crime of trafficking of a child for the purpose of commercial sex acts, current law does not provide such abuse as being under the

exclusive jurisdiction of the juvenile court.

[Bill Sections: 768 and 769]

7. YOUNG ADULT EMPLOYMENT ASSISTANCE TAX CREDIT

Governor: Create a refundable tax credit under the state individual income tax called the young adult employment assistance credit, beginning in tax year 2018, for certain individuals who age out of out-of-home placements under the statutes relating to children in need of protection or services or juveniles in need of protection or services (JIPS). The credit would be equal to 125% of the federal earned income tax credit (EITC) for claimants with no qualifying children, without regard to the age limits under federal law, and would cost an estimated \$724,000 GPR in 2018-19. [The fiscal effect is shown under "General Fund Taxes -- Income and Franchise Taxes."]

An individual could claim the credit if the claimant is a young adult defined as: (a) an individual who has aged out of out-of-home care without achieving permanency in either of the two tax years prior to the tax year to which the claim relates, or who did so in the tax year to which the claim relates; or (b) an individual who was previously designated as disabled under the supplemental security income program as a minor, but who, in either of the two tax years prior to the year to which the claim relates, or in the tax year to which the claim relates, lost his or her disability status due to a disability redetermination using the adult disability rules when he or she reaches 18 years of age.

"Aged out" would mean being discharged from out-of-home care due to one of the following instances: (a) termination of a dispositional order made before the individual becomes 18 years old, that places or continues the placement of the individual in out-of-home care, except as provided under the statutes regarding continuation of CHIPS or JIPS dispositional orders; (b) termination of a voluntary transition-to-independent-living agreement; or (c) termination of a voluntary agreement for placement of a child in a foster home or group home.

In order to meet the definition of "aged out," the discharge would have to occur on the date of any of the following: (1) the date that the individual becomes 18 years old; (2) the date that the individual is granted a high school or high school equivalency diploma, or the date on which the individual becomes 19 years old, whichever occurs first, if the individual is a full-time student at a secondary school or its vocational or technical equivalent and is reasonably expected to complete the program before becoming 19 years old; (3) the date on which the individual is granted a high school or high school equivalency diploma or the date on which the individual becomes 21 years old, whichever occurs first, if the individual is a full-time student at a secondary school or its vocational equivalent and if an individualized education program is in effect for the individual; (4) the date that an individual who is 18 years old or older makes a decision to leave out-of-home care and the CHIPS or JIPS order listed above is dismissed, the voluntary transition to independent living agreement is terminated, or the voluntary placement agreement is terminated; or (5) the date of termination of a CHIPS or JIPS dispositional order that provides for the termination one year or less after the date on which the order was entered.

Individuals claiming the credit could not be a part-year resident or nonresident of the state. No credit may be allowed unless it is claimed within four years of the tax year to which the claim relates and no credit would be allowed for a tax year covering a period of less than 12 months, except in the event of a claimant's death. The bill would extend DOR's administrative authority under the state EITC to the young adult employment assistance credit, and require DOR, DCF and DHS to work together to verify claims for the credit.

As noted, the proposed state credit would be equal to 125% of the federal EITC for individuals who do not have qualifying children. In tax year 2018, it is estimated that the federal EITC for such claimants will equal 7.65% of the claimant's first \$6,820 of earned income. The maximum federal credit for that year is estimated at \$522. Once the greater of the claimant's earned income or federal adjusted gross income (AGI) exceeds \$8,540, the \$522 maximum credit amount will be phased down to zero when the claimant's earned income or AGI exceeds \$15,360. The new state credit would be phased up and phased out using these same income levels. The maximum state credit would be \$652. Federal law also specifies that childless claimants must be at least 25 years old and not more than age 65. These age restrictions would not apply to the proposed state credit.

Finally, the budget bill also includes a provision that would automatically sunset new tax credits that take effect after December 31, 2016. The sunset would occur seven years after the credit takes effect. Therefore, the proposed young adult employment assistance credit would sunset after tax year 2024.

[Bill Sections: 481, 1045, 1052, 1053, and 9338(17)]

Economic Support and Child Care

1. W-2 AND TANF RELATED REVENUES AND EXPENDITURES

Governor: The following table shows the Wisconsin Works (W-2) and TANF related revenue estimates and expenditures recommended by the Governor. Items that would be modified by the budget bill are addressed in detail in the entries that follow according to the item number listed in the right-hand column of the table. "TANF" refers to the federal temporary assistance for needy families program.

Revenues Available for W-2 and TANF Related Programs

As shown in Table 1, the administration estimates total revenues for W-2 and TANF related programs at \$775.6 million in 2017-18 and \$708.5 million in 2018-19. State funding would include \$174.4 million (\$160.4 million GPR, \$4.9 million PR, and \$9.1 million SEG) in 2017-18 and \$174.0 million (\$160.4 million GPR, \$4.5 million PR, and \$9.1 million SEG) in 2018-19. The program revenue includes the state's share of AFDC overpayment recoveries, child support collections that are assigned to the state by public assistance recipients, and child care

licensing fees. The segregated revenue is from DOA's public benefits funding.

Ongoing federal funding is estimated at \$413.1 million in 2017-18 and \$392.9 million in 2018-19. Federal funds include monies from the TANF block grant, the child care development block grant, and recoveries of overpayments to W-2 recipients. The carryover of all funding sources from the 2016-17 ending TANF balance is estimated at \$188.1 million.

The largest change in revenue comes from the anticipated carryover funding from 2016-17. This is primarily due to a substantial reduction of benefit payments under the W-2 employment program. Initially budgeted at \$83.0 annually under 2015 Act 55, actual expenditures were \$51.3 million in 2015-16 and are estimated to be \$53.5 million in 2016-17. DCF indicates that there was a substantial decline in program participation after 2014, due in part to job gains after the 2008-2009 recession ended.

An offsetting decrease in revenue is due to penalties imposed by the federal Department of Health and Human Services (DHHS) for the failure of Wisconsin's TANF program to meet certain work participation rates required under federal law (discussed in more detail below). As shown in Table 1, federal funding for 2018-19 is estimated to decrease by \$20.2 million.

It should be noted that Congress has extended the TANF program until April 28, 2017, at the same funding levels. The budget bill assumes the federal TANF program would continue at the same funding levels through the 2017-19 biennial budget.

Expenditures for W-2 and TANF Related Programs

Under the Governor's recommendations, overall expenditures for W-2 and TANF related programs would be \$634.0 million in 2017-18 and \$669.5 million in 2018-19. These amounts include all funds, and represent a decrease from the base budget of \$16.0 million in 2017-18 and an increase of \$19.4 million in 2018-19. The changes in funding represent reestimates, increased funding for some existing programs and several new programs, and decreased funding for other existing programs, which are described in the entries below. Expenditures include: W-2 contracts and cash grants; the Transform Milwaukee and Transitional Jobs programs; child care subsidies; benefits for the kinship care program, the caretaker supplement, and emergency assistance; state administration and other support services; grants to several organizations; and expenditures in other programs.

Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF-related balance at the end of the 2017-19 biennium would be \$39.1 million which could be carried over into the 2019-21 biennium. However, ongoing expenditures would be estimated to exceed ongoing revenue by \$102.5 million in 2018-19.

TABLE 1

W-2 and TANF Related Revenue and Expenditures Under the Governor's Budget Bill

	<u>2017-18</u>	<u>2018-19</u>	<u>Change Over Base</u>		
			<u>2017-18</u>	<u>2018-19</u>	<u>Item</u>
Revenues					
State General Purpose Revenue (GPR)	\$160,373,800	\$160,373,800	\$0	\$0	
TANF Block Grant (FED)	313,896,000	293,706,900	0	-20,189,100	
Child Care Development Fund (FED)	94,928,600	94,928,600	3,739,700	3,739,700	
TANF and CCDF Recoveries (FED)	4,287,600	4,287,600	0	0	
Carryover from Prior Year (All Funds)	188,111,300	141,536,100	90,984,400	44,409,200	
Child Support Collections (PR)	2,942,800	2,635,800	-68,000	-375,000	29
Child Care Licensing Fees (PR)	1,650,000	1,650,000	-65,900	-65,900	29
AFDC Recoveries, State Share (PR)	160,600	160,600	0	0	
SSBG from DHS (PR)	100,000	100,000	0	0	
Public Benefits Funding (SEG)	9,139,700	9,139,700	0	0	
Total Available	\$775,590,400	\$708,519,100	\$94,590,200	\$27,518,900	
Expenditures					
<i>Wisconsin Works</i>					
Subsidized Employment Benefits	\$54,173,300	\$54,173,300	-\$28,826,700	-\$28,826,700	2, 3
Worker Supplement	2,700,000	2,700,000	2,700,000	2,700,000	4
Service Contracts	55,000,000	55,000,000	-3,336,500	-3,336,500	5
<i>Other TANF Employment Programs</i>					
Transform Milwaukee/Transitional Jobs	7,000,000	8,000,000	0	1,000,000	7
<i>Child Care</i>					
Direct Child Care Subsidies	289,215,200	308,167,800	8,495,500	27,448,100	8, 9
Child Care State Administration	36,189,400	36,030,000	2,713,900	2,554,500	10
Quality Care for Quality Kids	15,652,700	15,652,700	160,000	160,000	11
<i>Other Benefits</i>					
Kinship Care Benefits	22,012,100	22,741,200	577,100	1,306,200	12
Caretaker Supplement for Children of SSI Recipients	27,339,100	27,339,100	-3,999,100	-3,999,100	13
Emergency Assistance	7,000,000	7,000,000	-1,400,000	-1,400,000	14
<i>Child Support Related to W-2</i>					
Children First	1,140,000	1,140,000	0	0	
<i>Administrative Support</i>					
State Administration	15,987,000	15,902,900	604,500	520,400	15
Local Fraud Aids	605,500	605,500	0	0	
<i>Grant Programs</i>					
Grants to Boys and Girls Clubs of America	1,275,000	1,275,000	100,000	100,000	16
Wisconsin Community Services	400,000	400,000	0	0	
Fostering Futures - Connections Count	360,300	560,300	0	200,000	17
GED Testing	115,000	115,000	0	0	
Adult Literacy	41,600	41,600	0	0	
Legal Services	500,000	500,000	0	0	
Homeless Grants	500,000	500,000	500,000	500,000	18
Early Absenteeism	0	500,000	0	500,000	19
Early Learning Texting	35,000	60,000	35,000	60,000	20
Academic Career Planning	50,000	0	50,000	0	21
Public Messaging Campaign	400,000	600,000	400,000	600,000	22
Families and Schools Together	250,000	250,000	250,000	250,000	23
Offender Reentry	187,500	250,000	187,500	250,000	24
<i>Expenditures in Other Programs</i>					
Earned Income Tax Credit	69,700,000	82,700,000	0	13,000,000	25
SSBG Transfer to DHS/Community Aids	14,653,500	14,653,500	0	0	
Child Welfare Safety Services	6,282,500	7,314,300	889,800	1,921,600	26
Child Welfare Prevention Services	5,289,600	5,289,600	3,900,000	3,900,000	27
Total Expenditures	\$634,054,300	\$669,461,800	-\$15,999,000	\$19,408,500	
TANF Balance:	\$141,536,100	\$39,057,300			

2. WISCONSIN WORKS BENEFITS

FED	- \$57,653,400
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Governor: Decrease funding for W-2 subsidized employment benefits by \$28,826,700 in 2017-18 and 2018-19. W-2 benefit payments increased significantly during the 2008-2009 recession and decreased substantially after 2014. As a result, the current base funding levels no longer accurately reflect anticipated caseloads and benefit payments for the 2017-19 biennium. Total TANF funding for W-2 benefits would be \$54,173,300 annually.

[Bill Section: 896]

3. CONTROLLED SUBSTANCE SCREENING, TESTING, AND TREATMENT ELIGIBILITY REQUIREMENTS FOR WISCONSIN WORKS EMPLOYMENT POSITIONS

Governor: Require controlled substance screening, testing, and treatment as a condition of eligibility for W-2 employment positions, as described below. It is estimated that the costs of these activities would be absorbable under existing appropriations.

Under current law, individuals are required to complete a questionnaire that screens for the abuse of a controlled substance as a condition of eligibility for participation in the following work programs administered by DCF: (a) the Transform Milwaukee and Transitional Jobs subsidized employment programs; (b) W-2 services and benefits for noncustodial parents; and (b) Children First, which is a work experience and job training program for persons not meeting their child support obligations. Based on the answers to the questionnaire, if DCF (or the agency with which DCF has contracted to administer a work program) determines that there is a reasonable suspicion that an individual who is otherwise eligible for a work program is abusing a controlled substance, the individual must undergo a test for the use of a controlled substance in order to remain eligible. If the individual refuses to submit to a test, the individual would not be eligible until the individual complies with the requirement to undergo a test for the use of a controlled substance.

If the test results are negative, the eligibility requirements for testing, screening, and treatment are fulfilled. If the test results are positive and the individual does not present satisfactory evidence of a valid prescription for the controlled substance, then the individual must participate in substance abuse treatment in order to remain eligible. The individual satisfactorily completes the controlled substance screening, testing, and treatment requirements for the work program if the individual completes treatment and tests negative or positive with a valid prescription at the completion of treatment. While undergoing treatment, the individual must submit to random testing for the use of a controlled substance, and the test results must be negative, or positive with evidence of a valid prescription, in order for the individual to remain eligible. If any test results are positive and the individual does not have a valid prescription, the individual can restart treatment one time and remain eligible so long as all subsequent test results are negative or positive with a valid prescription.

The bill would replace the requirement for screening via a questionnaire with "controlled substance abuse screening," which would mean a questionnaire, a criminal background check, or

any other controlled substance abuse screening mechanism identified by DCF by rule. As a result, DCF would be able to specify alternative screening methods.

The bill would apply the above controlled substances screening, testing, and treatment eligibility requirements to applicants of the following W-2 work experience programs: (a) the temporary employment match program (TEMP); (b) community service jobs; and (c) transitional jobs. However, controlled substance screening and testing eligibility requirements would not apply if an individual is: (a) a custodial parent of child younger than eight weeks old; (b) a woman who is in a pregnancy that is medically verified and that is shown by medical documentation to be at risk; (c) a participant in a W-2 employment position who moves to unsubsidized employment and receives case management services; or (d) a dependent child.

The bill would apply the controlled substances screening, testing, and treatment eligibility requirements for W-2 positions to all of an individual's group members, which would be defined as all adult members of an applicant's W-2 group whose income or assets are included in determining the individual's eligibility for W-2 employment positions. As a result, an individual would not be eligible for a W-2 employment position unless that individual and all adult group members satisfy the screening, testing, and treatment eligibility requirements. However, the screening and testing requirements would not apply if an individual is: (a) a custodial parent of child younger than eight weeks old; (b) a woman who is in a pregnancy that is medically verified and that is shown by medical documentation to be at risk; or (c) specified as exempt under rules promulgated by DCF.

The bill would specify that if an applicant for a W-2 employment position or any of the applicant's group members fails to satisfy the screening, testing, or treatment eligibility requirements, then the applicant would remain partially eligible for monthly grants under a community service job or transitional placement. However, DCF would be required to pay the monthly grant to a protective payee. The protective payee would have to hold the money and use it exclusively for the benefit of the applicant's dependent children. DCF would reduce the monthly grant to reflect that the monthly grant is to be used exclusively for the dependent children. The applicant would remain partially eligible for twelve months or, if earlier, the date on which the applicant becomes eligible for full participation in a W-2 employment position (such as by complying with controlled substance screening, testing, and treatment eligibility requirements).

Finally, the bill would authorize DCF to promulgate emergency rules to implement and establish the protective payee structure and monthly grant eligibility under community service jobs and transitional jobs without the finding of an emergency. DCF would be required to submit a statement of scope of proposed emergency rules within 120 days of the bill's effective date. The drug screening, testing, and treatment provisions would first apply to applicants for W-2 employment positions on the effective date of the rules or emergency rules promulgated by DCF, whichever is earlier.

[Bill Sections: 881 thru 895, 9106(2), and 9306(2)]

4. WISCONSIN WORKS WORKER SUPPLEMENT

FED	\$5,400,000
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Governor: Allocate \$2,700,000 annually from federal TANF block grant funds to provide eligibility to participants in Wisconsin Works who meet certain federal work participation requirements to receive a supplemental payment of \$50 each month for up to twelve months. The supplement would assist participants to maintain unsubsidized employment after participating in a Wisconsin Works employment position.

Federal law requires state TANF programs to achieve minimum work participation rate (WPR) targets: an overall rate requiring 50% of families receiving TANF assistance to participate in work activities, and a two-parent rate requiring 90% of two-parent families receiving TANF assistance to participate in work activities. Wisconsin has not reached either target since federal fiscal year (FFY) 2011, and as a result has been notified by DHHS that Wisconsin is subject to potential penalties of \$11.8 million for FFY 2012, \$15.1 million for FFY 2013, and \$19.8 million for FFY 2014. DCF entered into a corrective compliance plan in order to avoid the FFY 2012 and FFY 2013 penalties and has appealed the penalties for the other years. The corrective compliance plan was not successfully completed, and the anticipated penalties for FFY 2012 and FFY 2013 are reflected in the TANF revenue shown in Table 1.

Additional penalties could apply in future years if the TANF program does not reach the required WPR targets. The worker supplement would improve performance on federal WPR targets by increasing the number of families participating in work activities that receive TANF assistance. Families moving from W-2 employment positions into unsubsidized work would otherwise not be counted for purposes of determining the WPR.

[Bill Sections: 898 and 921]

5. WISCONSIN WORKS CONTRACTS

FED	- \$6,673,000
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Governor: Reduce funding for W-2 administrative contracts by \$3,336,500 annually, including the costs of subsidized employment placements, work support services, education and training, and agency administration. The decrease in funding reflects estimated decreases in caseloads and capitation payments under the W-2 contracts.

[Bill Section: 897]

6. LEARNFARE SCHOOL ATTENDANCE REQUIREMENT

Governor: Expand the Learnfare school attendance requirement to permit sanctions on the basis of attendance rather than enrollment. Under current law, Learnfare requires dependent children between the ages of six through 17, unless otherwise exempt, to be enrolled in school if they are in a W-2 group that includes a participant in a TEMP placement, community service job, or transitional placement. A child fails to meet the school attendance requirement, and is subject to sanctions by DCF, if the child is not enrolled in school or was not enrolled in the immediately preceding semester. The bill would expand the school attendance requirement to include habitual truants, such that a child would fail the attendance requirement by being absent from school

without an acceptable excuse for part or all of five or more days during the current or previous semester.

[Bill Sections: 922 and 923]

7. TRANSFORM MILWAUKEE AND TRANSITIONAL JOBS PROGRAMS

FED	\$1,000,000
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Governor: Increase funding for the Transform Milwaukee and Transitional Jobs programs by \$1,000,000 in 2018-19. The additional funding would permit the expansion of the Transitional Jobs program to four additional rural counties: Adams, Clark, Jackson, and Juneau. The Transitional Jobs program currently operates in four geographic regions: (a) Urban Southwest (Beloit); (b) Rural Northwest (Florence, Forest, Langlade, and Menominee Counties); (c) Urban Southeast (Racine County); and (d) Rural Northwest (Ashland, Bayfield, Iron, Rusk, Sawyer, and Taylor Counties). Total funding for the Transform Milwaukee and Transitional Jobs programs would be \$7,000,000 in 2017-18 and \$8,000,000 million in 2018-19.

[Bill Section: 904]

8. WISCONSIN SHARES CHILD CARE SUBSIDY PROGRAM

FED	\$34,145,000
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Governor: Provide \$8,495,500 in 2017-18 and \$25,649,500 in 2018-19 for Wisconsin's child care subsidy program, known as "Wisconsin Shares." The funding provided under the bill is comprised as shown in the following table. Federal funding is available under the federal TANF block grant and the Child Care Development Fund (CCDF), which is comprised of funding received under the Social Security Act and the Child Care and Development Block Grant (CCDBG).

	<u>2017-18</u>	<u>2018-19</u>
Base Subsidies	\$238,430,300	\$240,814,600
EBT Parent Pay Cost to Continue	13,200,000	13,200,000
CCDBG 12-Month Eligibility	0	14,100,000
CCDBG Pre-Termination Grace Period	8,400,000	8,400,000
Health and Safety	1,118,000	1,118,000
YoungStar Bonus	13,211,900	13,881,600
Local Administration and Contracts	<u>14,855,000</u>	<u>14,855,000</u>
Total	\$289,215,200	\$306,369,200
Adjusted Base (2016-17)	\$280,719,700	\$280,719,700
Difference from Adjusted Base	\$8,495,500	\$25,649,500

The bill would provide: (a) \$238.4 million in 2017-18 and \$240.8 million in 2018-19 to continue child care subsidy payments at estimated base levels, (b) \$13.2 million annually to fund the ongoing costs of the parent pay electronic benefit transfer (EBT) system, including changing

from retrospective attendance-based payments to authorizations for child care based on enrollment; (c) \$14.1 million in 2018-19 for the cost of implementing a minimum eligibility period of 12 months, as required by the CCDBG Reauthorization Act of 2014 (the CCDBG Act); (d) \$8.4 million annually for the cost of allowing a three-month period of eligibility for individuals whose work activities have terminated, as required by the CCDBG Act; (e) \$1.1 million annually for increased subsidy payments resulting from the anticipated growth in provisionally certified child care providers becoming licensed or regularly certified due to compliance with federal health and safety regulations under the CCDBG Act; (f) \$13.2 million in 2017-18 and \$13.9 million in 2018-19 for the costs of subsidy adjustments for two-, four- and five-star providers under the YoungStar child care provider ratings system; and (g) \$14.9 million annually for local administration, including contracts for onsite care at job centers and migrant child care.

Eligibility and Redetermination of Eligibility. Under federal law, child care subsidies are limited to families with gross income of no more than 85% of the state median income (SMI) for a family of the same size. However, federal law permits states to set more restrictive eligibility criteria. Under state law, initial eligibility for Wisconsin Shares is limited to families with gross income of no more than 185% of the federal poverty level (FPL), which is \$37,777 for a family of three in 2017. Once eligible, families retain eligibility until gross income exceeds an eligibility exit threshold of 200% FPL for two consecutive months, which is \$40,840 for a family of three in 2017. Once a case has been closed for more than a calendar month, the family must reapply using the 185% initial eligibility threshold.

The CCDBG Act establishes a 12-month eligibility redetermination period for families receiving CCDF assistance regardless of temporary changes in participation in work, training, or education activities and changes in income so long as income does not exceed the federal threshold amount of 85% of state median income. Thus, the eligibility requirements under the CCDF program are generally considered to be met for a period of 12 months. States have the option to terminate child care subsidies prior to the annual eligibility redetermination if a parent loses employment, but must continue subsidies for at least three months to allow for a job search.

Prior administrative rules required that a parent's eligibility and need for child care had to be redetermined at least every six months. However, pursuant to administrative rules in effect as of September, 2016, Wisconsin Shares eligibility must be redetermined annually and in a timely manner following the receipt of a participating parent's report of a change in circumstances affecting his or her eligibility.

The bill would conform to federal law by providing for a minimum period of eligibility equal to the lesser of three months after the permanent termination of an authorized activity, such as employment, or until DCF, a local agency, or a county department redetermines the individual's eligibility. The bill would also provide that in authorizing hours of child care that DCF must take into consideration the child's learning and development and promote the continuity of care. DCF would not be required to limit authorization of hours to the participating parent's scheduled educational or work activities or to the amount of hours spent in those activities. For example, DCF could continue to authorize the same amount of hours of child care after a termination of employment. These changes would first apply to persons eligible to receive

a subsidy who permanently cease participation in an approved activity on the date of publication of the bill.

Further, the bill would provide that a "temporary break" from an authorized activity is itself an authorized activity for purposes of Wisconsin Shares eligibility. A temporary break would be defined as a time-limited absence from an authorized activity due to (a) illness; (b) leave to care for an individual's family member; (c) a student or holiday break; (d) an interruption in work for a seasonal worker who is not working between regular industry working seasons; or (e) any other cessation of an authorized work activity as long as the individual continues to be employed or enrolled in the authorized activity and the absence does not exceed three months. The bill would clarify that any reduction in the use of authorized child care hours due to a temporary break would not result in a reduction of authorized hours due to underutilization. These changes would first apply to persons eligible to receive a subsidy that take a temporary break from approved activities on the date of publication of the bill.

The bill would also provide that children would not lose eligibility for "ageing out" of Wisconsin Shares by reaching the age of 13 (or 19 if disabled) until the participating parent's eligibility is redetermined at the end of the twelve-month period.

The bill would require as a condition of eligibility for the Wisconsin Shares child care subsidy program that participating children be immunized in the same manner required by state law for public schools, except that the immunization requirement could be waived for reasons of health or religion.

Finally, the bill would create an asset limit of \$25,000 for eligibility in the Wisconsin Shares child care subsidy program. Assets would be defined as including an individual's financial resources that are cash or can be quickly converted to cash without incurring penalties, such as checking and savings accounts, except that DCF would be authorized to designate by rule any financial resources as excluded for purposes of the asset limit. The asset limit would not apply to foster parents, subsidized guardians, interim caretakers, or kinship care relatives. The asset limit would first apply to individuals whose eligibility for Wisconsin Shares is determined or redetermined after the date of publication of the bill.

[Bill Sections: 847, 848, 855 thru 866, 868 thru 870, 874, 875, 906, 9306(1), 9306(3), and 9406(3)]

9. MITIGATING BENEFIT DROP-OFF IN WISCONSIN SHARES

FED	\$1,798,600
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Governor: Provide \$1,798,600 in 2018-19 to allow participating families in Wisconsin Shares to continue eligibility after the family's income increases above the 200% FPL exit threshold.

Under current law, Wisconsin Shares provides child care assistance for working low-income families to enable eligible persons to work or to prepare for employment through W-2, the FoodShare employment and training program, or through a combination of work and

education or training. Under the program, the state subsidizes the cost of child care for qualified families by making payments to the child care provider selected by the parent.

Once a participating family's income exceeds the 200% FPL eligibility exit threshold for two consecutive calendar months, the family is no longer eligible for the program. As a result, for participants earning income near the exit threshold, a relatively small increase in income may cause a much larger loss in public assistance benefits.

Current law requires DCF to establish a copayment schedule under which participating parents are required to contribute to the cost of child care. A parent's copayment is based on income, family size, and the number of children in care. However, certain families participating in Wisconsin Shares are exempted from the copayment schedule promulgated by DCF. For example, certain teen parents who are not Learnfare participants are subject to the minimum copayment by statute. Further, by administrative rule the copayment requirements do not apply to certain parents, foster care parents, subsidized guardians, and kinship care relatives who provide care under a court order. Per administrative rule, families authorized for part-time child care for 20 hours or less a week are responsible for only 50% of the amounts listed in the copayment schedule.

The bill would provide continued eligibility to participating families whose incomes have increased above the 200% FPL exit threshold. The family's copayment would increase by \$1.00 for every \$3.00 by which the family's gross income exceeds the 200% FPL exit threshold. The subsidy amount would be reduced by an amount equal to the increase in the copayment. As a result, the subsidy would scale down with an increase in income rather than sharply dropping at the exit threshold.

Notwithstanding the statutory requirement that participating teen parents are subject to the minimum copayment, the bill would apply the copayment increase in the same manner as other participants. As for children cared for by foster care parents, kinship care relatives, and subsidized guardians, the new eligibility provisions would not apply. Eligibility for such children is determined based on the income of the family home from which the child was removed as of the time of removal from the home. Future increases in income do not affect eligibility.

The effective date of these changes would be the later of July 1, 2018, or the first day of the twelfth month beginning after the date of publication of the bill.

[Bill Sections: 867, 868, and 9406(3)]

10. CHILD CARE ADMINISTRATION

Governor: Increase expenditure authority in 2017-18 by \$2,713,900 and in 2018-19 by \$2,554,500 for state administration of child care licensing and regulation activities, Wisconsin Shares, and child care quality improvement programs. Total administrative costs for child care would be \$36,189,400 in 2017-18 and \$36,030,000 in 2018-19.

	Funding	Positions
FED	\$5,268,400	- 2.00

The increase in funding primarily reflects information technology costs associated with implementing changes required by the CCDBG Act. Specifically, \$2,109,800 annually would support needed alterations to the client assistance for re-employment and economic support (CARES) information technology system to incorporate changes in law for eligibility, copayments, and redetermination. The funding would also reflect: (a) standard budget adjustments (\$277,000 in 2017-18 and \$281,600 in 2018-19); (b) increased costs for licensing monitoring associated with annual license inspections required under the CCDBG Act (\$300,000 annually); (c) information technology costs associated with implementing the extension of eligibility for participating families who earn income above the 200% FPL exit threshold (\$164,000 in 2017-18); and (d) reallocation of 2.0 vacant positions to support additional positions in the public assistance collections unit (-\$136,900 annually).

Oversight of child care programs run by school districts. Under current law, DCF is authorized to license child care centers care and to visit and inspect their premises and records. Public school child care programs, which are established by and supervised by school boards, are required to meet the DCF licensure standards but are not required to be licensed by DCF. Private school programs must be certified by DCF in order to receive payments under the Wisconsin Shares child care subsidy program. However, public schools may receive payments under Wisconsin Shares without certification.

Pursuant to the CCDBG Act, DCF must monitor license-exempt programs which receive CCDF funding for compliance with a subset of licensing rules, including annual onsite inspections for compliance with health and safety standards.

The bill would provide DCF authority to supervise child care programs established by a school board if the program receives subsidy payments under Wisconsin Shares. Public school programs would not need to be certified or licensed in order to receive subsidies under Wisconsin Shares. However, if a public school child care program receives Wisconsin Shares subsidies, DCF would be authorized to visit and inspect the facilities and records of public school programs. DCF would also be authorized to prosecute licensing violations.

[Bill Sections: 785, 834, 907, and 1625]

11. CHILD CARE QUALITY AND AVAILABILITY PROGRAMS

FED	\$320,000
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Governor: Provide \$160,000 annually to fund an intake contract for the Milwaukee Early Care Administration. Funding would be maintained at base levels for other quality and availability programs, such as resource and referral agencies (\$1,298,600 annually), the teacher education and compensation helps (TEACH) program, the rewarding education with wages and respect for dedication (REWARD) program (\$3,975,000 annually), the YoungStar child care quality rating and improvement system administrative contract (\$9,240,000 annually), the child care information center reference and loan library (\$120,000 annually), technical assistance to child care providers (\$541,000 annually), and prelicensing training contracts (\$318,100 annually). Total TANF funding for child care quality and availability programs would be

\$15,652,700 in each year.

[Bill Section: 908]

12. KINSHIP CARE

FED	\$1,883,300
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Governor: Provide an increase of \$577,100 in 2017-18 and \$1,306,200 in 2018-19 in order to support an estimated 1% annual increase in caseloads and to fully fund increased kinship care benefits. Monthly benefits under the bill would increase from \$232 by 2.5% to \$238 beginning January 1, 2018, and by 2.5% to \$244 beginning January 1, 2019. Total funding allocated to kinship care benefits would be \$22,012,100 in 2017-18 and \$22,741,200 in 2018-19.

[Bill Sections: 773, 774, 910, and 9406(1)]

13. CARETAKER SUPPLEMENT

FED	- \$7,998,200
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Governor: Decrease funding by \$3,999,100 annually to reestimate program costs for the caretaker supplement for children of recipients of SSI, administered by the Department of Health Services. In addition to state and federal SSI benefits, SSI recipients with dependent children receive a caretaker supplement of \$250 per month for the first child and \$150 per month for each additional child. Total funding under the bill for the caretaker supplement would be \$27,339,100 annually.

[Bill Section: 909]

14. EMERGENCY ASSISTANCE

FED	- \$2,800,000
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Governor: Reduce funding by \$1,400,000 annually to reestimate the costs of providing assistance to needy persons in cases of fire, flood, natural disaster, energy crisis, homelessness, and impending homelessness under the emergency assistance program. Total funding under the bill for emergency assistance would be \$7,000,000 annually.

[Bill Section: 903]

15. STATE ADMINISTRATION OF WISCONSIN WORKS AND OTHER RELATED TANF PROGRAMS

	Funding	Positions
FED	\$1,124,900	4.59

Governor: Provide \$604,500 in 2017-18 and \$520,400 in 2018-19 for state administration of TANF and TANF-related programs, including W-2, Transform Milwaukee, and kinship care. These amounts include: (a) standard budget adjustments (\$52,200 in 2017-18 and -\$48,100 and -1.0 position in 2018-19); (b) realignment (\$426,800 and 3.64 positions annually); (c) a position partially funded by TANF to administer the learning pilot programs under the bill (\$48,700 and 0.75 position in 2017-18 and \$64,900 and 0.75 position in 2018-19); and (d) a transfer of vacant positions to provide additional staffing to the public assistance collections unit (\$76,800 and 1.2 positions annually).

Total funding under the bill for TANF administration would be \$15,987,000 in 2017-18 and \$15,902,900 in 2018-19.

[Bill Section: 902]

16. GRANTS TO BOYS AND GIRLS CLUBS OF AMERICA

FED	\$200,000
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Governor: Provide \$100,000 annually for a grant to a Boys and Girls Club for Milwaukee Public Schools similar to Green Bay's BE GREAT: Graduate program. The bill would otherwise maintain the same level of TANF funding for grants to the Boys and Girls Clubs of America to support programs that improve social, academic, and employment skills of TANF-eligible youths. Total funding for grants to Boys and Girls Clubs would be \$1,275,000 annually.

[Bill Section: 918]

17. FOSTERING FUTURES: CONNECTIONS COUNT

FED	\$200,000
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Governor: Provide \$200,000 in 2018-19 to fund the Fostering Futures: Connections Count grant program, which supports neighbors and community leaders to connect vulnerable families with young children to formal and informal community support programs. Total funding provided under the bill would be \$360,300 in 2017-18 and \$560,300 in 2018-19.

[Bill Section: 905]

18. HOMELESS CASE MANAGEMENT SERVICE GRANTS

FED	\$1,000,000
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Governor: Provide \$500,000 annually for DCF to support 10 annual grants of \$50,000 to shelter facilities to provide intensive case management services to homeless families. The services would focus on providing financial management, employment, school continuation, and enrolling unemployed or underemployed parents in W-2 or the FSET program. The Department of Administration would award the grants. Any unused funds would revert back to the relevant appropriations for TANF programs, as determined by the Secretary of DOA.

[Bill Sections: 129, 453, and 901]

19. EARLY SCHOOL ABSENTEEISM PILOT PROGRAM

FED	\$500,000
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Governor: Provide \$500,000 from TANF block grant funds in 2018-19 and require DCF in 2018-19 and 2019-20 to provide grants to public elementary schools to reduce chronic absenteeism in early grades.

A school would be eligible for a grant if it experiences chronic absenteeism, defined as a child missing 10 percent or more of the school year, and meets other eligibility requirements established by DCF. DCF would have to give priority to schools with the most chronic

absenteeism in early grades. After receiving a grant, a school would only be eligible for a subsequent grant if it achieves the reduction in chronic absenteeism that was specified in the grant agreement during the school year for which the grant was awarded.

DCF would be required to enter into a memorandum of understanding with the Department of Public Instruction (DPI) to cooperate and exchange data for the purposes of determining eligibility, reviewing grant applications, developing outcome measurements, verifying outcomes, and other actions DCF and DPI deem necessary. DCF would not be able to award grants under the pilot program after June 30, 2020.

[Bill Sections: 844 and 917]

20. EARLY LEARNING TEXT MESSAGING INTERVENTION PILOT PROGRAM

FED

\$95,000

Governor: Allocate \$35,000 in 2017-18 and \$60,000 in 2018-19 from TANF block grant funds to create a pilot program to use text message-based intervention to improve early literacy and parental involvement in education for four-year-old preschool students enrolled in head start programs. DCF and DPI would have to enter into a memorandum of understanding to establish their respective roles in developing and implementing the program.

[Bill Sections: 770 and 900]

21. SUCCESS SEQUENCE IN ACADEMIC CAREER PLANNING

FED

\$50,000

Governor: Provide \$50,000 in 2017-18 from TANF block grant funds for the development of career planning materials relating to the "success sequence." The success sequence refers to the idea that economic success is more likely if an individual graduates high school, maintains a full-time job, and has children while married and after age 21. The Department of Public Instruction would be required to work with DCF to develop the materials and to ensure that the success sequence would be incorporated into academic and career planning services beginning in the 2019-20 school year. DCF would have to approve any instruction and materials prior to their dissemination to pupils. DPI would be authorized to promulgate rules to implement the success sequence.

[Bill Sections: 915 and 1466]

22. PUBLIC MESSAGE CAMPAIGN

FED

\$1,000,000

Governor: Provide \$400,000 in 2017-18 and \$600,000 in 2018-19 from TANF block grant funds for a public messaging campaign to promote the involvement of fathers in the lives of their children, the implications of teenage pregnancy, and the "success sequence."

[Bill Section: 914]

23. FAMILIES AND SCHOOLS TOGETHER

FED	\$500,000
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Governor: Provide \$250,000 annually from TANF block grant funds to support the families and schools together (FAST) program in five Milwaukee elementary schools chosen by DCF. FAST is a prevention/early intervention program that connects schools, families and communities. FAST provides two separate programs for elementary school-aged children (Kids FAST) and for children under the age of three (FAST for Infants & Toddlers). In both programs, parents participate in monthly group meetings over a period of eight weeks to enhance family functioning, strengthen infant or scholastic development, and prevent substance abuse and delinquency. Upon completion of a FAST program, parents are transitioned into FAST Works, a parent-led sustainability program that assists and encourages family members to maintain connections with each other over the next several years.

[Bill Section: 899]

24. OFFENDER REENTRY DEMONSTRATION PROJECT

FED	\$437,500
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Governor: Provide \$187,500 in 2017-18 and \$250,000 in 2018-19 from the TANF block grant to fund a five-year offender reentry demonstration program to aid the successful community transition out of incarceration by noncustodial fathers in the City of Milwaukee. DCF would evaluate the demonstration project at the conclusion of the program on or before June 30, 2023.

[Bill Sections: 916 and 924]

25. EARNED INCOME TAX CREDIT

FED	\$13,000,000
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Governor: Allocate an additional \$13,000,000 in 2018-19 from federal TANF block grant funds to pay the refundable portion of the state earned income tax credit. Total TANF funding for the EITC would be \$69,700,000 in 2017-18 and \$82,700,000 in 2018-19. [For more information, see "General Fund Taxes -- Income and Franchise Taxes."]

[Bill Section: 919]

26. CHILD WELFARE SAFETY SERVICES

FED	\$2,811,400
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Governor: Increase funding for child welfare safety services by \$889,800 in 2017-18 and \$1,921,600 in 2018-19. The additional funding would allow expansion of services statewide. The bill would also require counties to provide matching funds at the same percentage currently required for children and family aids funding. Total TANF funding would be \$6,282,500 in 2017-18 and \$7,314,300 in 2018-19.

[Bill Section: 911]

27. CHILD WELFARE PREVENTION SERVICES

FED	\$7,800,000
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Governor: Provide \$3,900,000 annually for statewide child welfare prevention services. Current law restricts child welfare prevention services funding to Milwaukee County. The bill would allow DCF to use the funding outside of Milwaukee County. The bill would also maintain the same level of funding for the Milwaukee brighter futures program (\$577,500 annually) and home visiting services in the City of Milwaukee (\$812,100 annually).

[Bill Section: 912]

28. REALLOCATE VACANT POSITIONS TO PUBLIC ASSISTANCE COLLECTIONS UNIT

	Funding	Positions
PR	\$86,000	0.80

Governor: Reallocate vacant positions within DCF to provide additional staffing for DCF's public assistance collections unit (0.8 positions annually). Associated funding of \$43,000 annually from the Department of Health Services (DHS) would be reallocated with the positions.

29. TANF REVENUE ADJUSTMENTS

FED	\$574,800
PR	<u>- 574,800</u>
Total	\$0

Governor: Adjust revenue to reflect the following. First, a reassignment of \$68,000 PR in 2017-18 and \$375,000 PR in 2018-19 to the child support enforcement program of child support collections assigned to the state by public assistance recipients results in increased spending of federal funding to cover the lost revenue (\$68,000 FED in 2016-17 and \$375,000 FED in 2018-19). Second, a reestimate of child care licensing fees of -\$65,900 PR annually also results in increased federal funding to cover the lost revenue (\$65,900 FED annually).

[Bill Section: 913]

30. REDUCING SUMMER MELT PILOT PROJECT

	Funding	Positions
GPR	\$156,700	0.25

Governor: Provide \$16,200 and 0.25 position in 2017-18 and \$140,500 and 0.25 position in 2018-19 to create a pilot program to test the effectiveness and scalability of text-message based interventions aimed at increasing the share of high school seniors who successfully enroll in a postsecondary educational institution. Under the bill, DCF and DPI would enter into a memorandum of understanding to establish their respective roles in developing, implementing, and evaluating the program. DCF and DPI would have to establish guidelines for a competitive grant process. DCF would provide competitive grants in 2018-19 and 2019-20 to eligible school districts to administer the text message-based intervention program. DCF would have to provide access to a message delivery platform at no cost to the school districts. Schools and school districts would be able to use the grants to offset a portion of the costs associated with the program

[Bill Sections: 393 and 771]

31. STUDY ON ABSENTEEISM AND PUBLIC ASSISTANCE

Governor: Require DCF, and the Department of Public Instruction, DHS, and the Department of Workforce Development, together with any other relevant programs or agencies these agencies identify as appropriate, to collaborate to prepare a report on the population overlap of families that receive public benefits and children who are absent from school for 10 percent of more of the school year. The agencies would be required to report to the Governor and appropriate standing committees of the Legislature on or before December 30, 2018.

[Bill Section: 9152(1)]

32. CHILD CARE BACKGROUND CHECKS

Governor: Modify the statutes relating to background checks and disqualifications of child care programs, caregivers, and nonclient residents as outlined below.

Current law includes provisions regarding background checks and findings that disqualify persons from being licensed or certified to operate a facility that provides care and services to children, to be employed by such a facility, or to be a nonclient resident of such a facility. These statutes also include an appeal process and a process for persons to demonstrate that they have been rehabilitated after previously committing a relevant offense. The current statutes apply to the following entities: (a) a child welfare agency that is licensed to provide care and maintenance for children, to place children for adoption, or to license foster homes; (b) a licensed foster home; (c) an interim caretaker to whom subsidized guardianship payments are made; (d) a person who is proposed to be named as a successor guardian; (e) a licensed group home or shelter care facility; (f) an organization that facilitates delegations of the care and custody of children; (g) a temporary employment agency that provides caregivers to another entity; (h) a child care center that is licensed by DCF or established or contracted for by a school board; and (i) a certified child care provider. They also apply to individuals employed as caregivers by such facilities and nonclient residents.

The CCDBG Act and related federal regulations provide various health and safety requirements for child care providers, including the following. The CCDBG Act requires states to establish health and safety requirements in 10 topic areas (such as sudden infant death syndrome and first-aid) and requires child care providers which receive CCDF funding to receive both preservice and ongoing training on these topics. The CCDBG Act also requires states to conduct extensive criminal background checks every five years on all child care staff members having unsupervised access to children, including a search of state and national registries (including each state resided in within the last five years) in five specific areas: state criminal and sex offender registries, state child abuse and neglect registries, the national crime information center, federal bureau of investigation (FBI) fingerprint checks, and the national sex offender registry. The CCDBG Act also specifies certain disqualifying crimes that make a staff member ineligible for child care employment. The CCDBG Act also requires states to protect the privacy of background check information and to provide an appeals process for child care providers, staff members, and adult residents.

In order to conform with federal law and update the licensing procedures and requirements of child care providers, the bill would remove child care providers under (h) and (i) above from the existing state statutes and create similar new provisions that would apply to such entities. The current statutes, with modifications, would continue to apply to the other types of entities identified above.

Summary

As detailed below, the new provisions regarding background checks of child care providers are similar to the current provisions that apply to child care facilities and other entities that provide care and services for children. According to the Legislative Reference Bureau, the most significant changes regarding child care providers are as follows.

First, the bill would require DCF to conduct all background checks of child care providers, caregivers, and nonclient residents. Persons and child care providers seeking a license (from DCF to operate a child care center), a contract (with a school board to operate a child care program), or certification (from DCF, a county department, or agency contracted with DCF), would have to submit a background information request. Under current law, the entity from which a person is seeking a license, certification, contract, or employment conducts the background check.

Second, the bill would conform background checks to federal law. Under current law, the required background check information that must be submitted by child care providers to DCF includes: (a) a criminal history search from the Wisconsin Department of Justice (DOJ); (b) information from the registry of nurses aids maintained by DHS; (c) information maintained by the Department of Safety and Professional Services (DSPS) regarding the status of the person's credentials; (d) information maintained by DCF regarding any final determination (or contested case decision) of child abuse or neglect against the person; and (e) information regarding the denial of an application to operate a child care facility or other similar entity for committing a relevant offense or lacking a needed credential. Further, current law requires DCF, a county department, school board, and agencies contracted with DCF to obtain information from the state sex offender registry, and in some cases, information maintained by the FBI (DOJ may submit fingerprint cards to the FBI to verify the identity of the person fingerprinted and to obtain the records of his or her criminal arrests and convictions).

Under the bill, DCF would continue to be required to obtain the information above upon a request for a background check by a child care program, and could continue to request this information every year (or at any time DCF considers appropriate). In addition, upon a request for a background check, the bill would require DCF to obtain a FBI fingerprint-based criminal history search, a search of the national crime information center sex offender registry, and a search of the national crime information center's criminal background check records.

Third, the bill would require a background check of a person who is not a resident of this state or who has not been a resident of this state at any time within the five preceding years to include a criminal history, sex offender registry, and child abuse and neglect registry search of all states in which the person was a resident in the preceding five years. Current law requires a background check to include those searches if the person is not a resident of this state or has not

been a resident of this state at any time within the three years preceding the background check.

Fourth, the bill would alter the list of serious offenses for which an individual is barred from being a child care provider, caregiver or nonclient resident of a child care provider. The bill would permanently bar a person if he or she has committed felony battery, arson, or an offense for which he or she is required to register as a sex offender. Current law does not permanently bar a person who has committed arson or who is required to register as a sex offender. Further, current law permanently bars a person who has committed felony battery only if the victim of the battery is the person's spouse and bars a person who has committed felony battery against any other person only for five years after the person completes his or her sentence.

Fifth, the bill would allow a person who is denied a license, certification, contract, or employment because of information contained in a background check to seek review of that denial from DCF and to appeal that review decision. Current law provides a process for appealing a denial of or revocation of a certification, license, or contract, but does not provide an appeal process regarding the content of background check report.

Sixth, the bill shortens from 60 days to 45 days the amount of time that a child care provider may employ or contract with a caregiver or allow the residence of a nonclient resident pending receipt of the person's background check results.

The bill would also require preservice training and ongoing training on an annual basis of child care providers, and their caregivers, that receive reimbursement under Wisconsin Shares. Preservice training would include ten specific topics, which are detailed below. A child care provider or caregiver would have to successfully complete preservice training no later than the date of certification or the date on which the caregiving commences. A child care provider with provisional certification would have to successfully complete training no later than six months after the date of certification or the date on which the caregiving commences. Current law requires training in preventing sudden infant death syndrome and training relating to shaken baby syndrome and impacted babies, but does not require training in other topics required under the CCDBG Act and related regulations.

As for child welfare background checks, consistent with what the bill would require for child care providers, the bill would update the age of delinquency to 10 years of age instead of 12 years of age and would shorten from 60 days to 45 days the amount of time that an entity may employ or contract with a caregiver or allow the residence of a nonclient resident pending receipt of background check results.

New Provisions for Child Care Providers

Definitions

Under the bill, "caregiver" would mean any of the following: (a) a person who is an employee or independent contractor of a child care program or involved in the care or supervision of clients of a child care program or has unsupervised access to clients of a child care program; or (b) a person who has, or is seeking, a license, certification, or contract to operate a child care program.

"Child care program" would mean a child care center that is licensed by DCF or established or contracted for by a school board, a child care provider that is certified by a certifying agency (DCF in Milwaukee County or the county department or an agency under contract with DCF in other counties), or a temporary employment agency that provides caregivers to another child care program.

"Client" would mean a person who receives direct care from: (a) a child care program; (b) another entity (meaning a child welfare agency that is licensed to provide care and maintenance for children, to place children for adoption, or to license foster homes; a licensed foster home; an interim caretaker to whom subsidized guardianship payments are made; a person who is proposed to be named as a successor guardian in a successor subsidized guardianship agreement; a licensed group home; a licensed shelter care facility; an organization that facilitates delegations of the care and custody of children; or a temporary employment agency that provides caregivers to another entity); or (c) a caregiver to whom delegation of the care and custody of a child by a the child's parent has been, or is expected to be, facilitated by an entity.

"Client" would specifically include: (a) an adopted child for whom adoption assistance payments are being made; (b) a child for whom subsidized guardianship payments are being made; and (c) a person who is 18 to 21 years old, is receiving independent living services from an agency, is no longer placed in out-of-home care, and is residing in the foster home in which he or she was previously placed.

"Contractor" would mean, with respect to a child care program, a person, or that person's agent, who provides services to the child care program under an express or implied contract or subcontract.

"Nonclient resident" would mean a person who is age 10 or older, who resides, or is expected to reside, at a child care program, and who is not a client of the child care program or caregiver.

"Reservation" would mean land in this state within the boundaries of a reservation of a tribe or within the Bureau of Indian affairs service area for the Ho-Chunk Nation.

"Serious crime" would mean any of the following:

a. A violation of laws against assisting suicide, sexual exploitation by a therapist, abuse of individuals at risk, abuse of penal facility residents, abuse or neglect of patients and residents, or representations depicting nudity.

b. A violation of laws against human trafficking for purposes of a commercial sex act.

c. A felony crime against children, other than failure to support.

d. A violation of laws against intentionally causing substantial bodily harm to another or battery by a prisoner or an individual who is subject to an injunction, if the victim is the spouse of the person.

e. First- or second-degree intentional or reckless homicide, felony murder, mayhem,

first-, second- or third-degree sexual assault, reckless injury, taking hostages, kidnapping, endangering safety by use of a dangerous weapon, disarming a peace officer, arson with intent to defraud, burglary, robbery, or misdemeanor neglect of a child.

f. Only for a caregiver that has, or is seeking a license, certification, or contract to operate a child care program, a violation of laws regarding identity theft, receiving stolen property, fraudulent insurance and employee benefit claims, financial transaction card crimes, theft of telecommunications services, commercial mobile services, video services or satellite cable programming, retail theft, theft of services or a computer crime that is a felony; or an offense under Subchapter IV of Chapter 943 (crimes against financial institutions) that is a felony.

g. Failure to submit accurate information for required background and criminal record checks, if the violation involves the provision of false information to or the intentional withholding of information from, DCF, a county department, an agency contracting with DCF, a school board, or a child care program.

h. An offense involving fraudulent activity as a participant in the W-2 program, including as a recipient of a child care subsidy, or as a recipient of AFDC, MA, food stamps, SSI, the state SSI supplement, or health care benefits under Badger Care.

i. A violation of laws regarding injury or death by providing alcohol to a minor, falsifying proof of drinking age for money or other consideration, impersonating an officer or agent of DOR or DOJ, selling alcohol without a license or permit, recovering and selling alcohol from denatured alcohol, homicide by intoxicated use of a vehicle or firearm, battery or threat, injury by intoxicated use of a vehicle, auto theft by use of force or a weapon, felony hazing, felony intoxicated driving, or a felony violation of the uniform controlled substances act, if the person completed his or her sentence, including any probation, parole, or extended supervision, or was discharged by the Department of Corrections, less than five years before the date of the child care criminal record investigation.

j. Intentional failure to support, if the person completed his or her sentence, including any probation, parole, or extended supervision, or was discharged, less than five years before the date of the criminal record investigation, unless the person has paid all arrearages due and is meeting his or her current support obligations.

k. A violation of the law of any other state or United States jurisdiction that would be a violation listed above if committed in this state.

l. A violation of the laws of another state or United States jurisdiction that if committed in this state would constitute felony battery, a felony offense of domestic abuse, a sex offense or a violent crime under Chapter 948, or sexual assault if the victim was a child.

Background Checks

DCF would have to require any person who applies for issuance of an initial license to operate a child care center, a school board would have to require any person who proposes an

initial contract with the school board for a child care program, and DCF in Milwaukee County, a county department, or an agency contracted with DCF would have to require any child care provider who applies for initial certification to submit the information required for a background check request described below. A school board, county department, or contracted agency would have to submit the completed background information request to DCF.

Each child care program would have to submit a request to DCF for a criminal background check for each potential caregiver and potential nonclient resident prior to the date on which an individual becomes a caregiver or nonclient resident, and at least once during every five-year period for each existing caregiver or nonclient resident, except if all of the following apply: (a) the individual has received such a background check while employed or seeking employment by another child care program within the state within the last five years; (b) DCF provided to the child care program a qualifying background check result for the individual; and (c) the individual is employed by or resides at a child care program within the state or has been separated from employment or residence at a child care program within the state for a period of not more than 180 consecutive days.

A request for a background check to DCF under the above provisions would have to be in the manner and on forms prescribed by the Department, and include fingerprints of the subject that meet DCF standards and any additional information that DCF deems necessary to perform the criminal background check. Such a request would be considered submitted on the day that the DCF receives all such information. The requester would have to submit all fees required by DCF pursuant to the instructions provided by the Department, not to exceed the actual cost of conducting the criminal background check.

Upon receipt of a request, DCF would have to obtain all of the following with respect to a caregiver or a nonclient resident who is not under 10 years of age: (a) a fingerprint-based criminal history search from the records maintained by DOJ; (b) information that is contained in DHS's nurses aides registry regarding any findings against the person; (c) information maintained by DSPS regarding the status of the person's credentials, if applicable; (d) information maintained by DCF regarding any final determination or, if a contested case hearing is held on such a determination, any final decision that the person has abused or neglected a child; (e) information that is contained in the sex offender registry regarding whether the person has committed a sex offense that is a serious crime; (f) a fingerprint-based criminal history search using the FBI next generation identification; (g) a search of the national crime information center's national sex offender registry; and (h) a search of its criminal background check records.

DCF would also have to obtain information maintained by DHS regarding any denial to the person of a license, continuation or renewal of a license, certification, or a contract to operate an entity or a child care program, and regarding any denial to the person of employment at, a contract with, or permission to reside at an entity or a child care program for any of the following reasons:

- a. That the person has been convicted of a serious crime or adjudicated delinquent on or after his or her 10th birthday for committing a serious crime or that the person is the subject of a pending criminal charge or delinquency petition alleging that the person has committed a

serious crime on or after his or her 10th birthday.

b. That a unit of government or a state agency has made a finding that the person has abused or neglected any client or misappropriated the property of any client.

c. That a final determination has been made or, if a contested case hearing is held on such a determination, a final decision has been made that the person has abused or neglected a child.

d. That, in the case of a position for which the person must be credentialed by DSPS, the person's credential is not current or is limited so as to restrict the person from providing adequate care to a client.

Finally, DCF would have to obtain information from a search of the following registries, repositories, or databases in the state where the caregiver or nonclient resident resided for the period starting on the date five years prior to DCF's receipt of the background check request and ending on the date when DCF received the request: (a) the state criminal registry or repository; (b) the state sex offender registry or repository; and (c) the state-based child abuse and neglect registry and database.

After receiving a request, DCF would have to conduct the criminal background check as expeditiously as possible and make a good faith effort to complete all components of the criminal background check no later than 45 days after the date when the request was submitted.

If information obtained through the background check indicates a charge of a serious crime, but does not completely and clearly indicate the final disposition of the charge, DCF would have to make every reasonable effort to contact the clerk of courts to determine the final disposition. If information submitted to DCF with the request for a background check indicates a charge or a conviction of a serious crime, but information obtained through the check does not indicate such a charge or conviction, DCF would have to make every reasonable effort to contact the clerk of courts to obtain a copy of the criminal complaint and the final disposition of the complaint. If information obtained by or submitted to DCF, or any other information, indicates a conviction of a certain crimes (battery, false imprisonment, invasion of privacy, disorderly conduct, or harassment) obtained not more than five years before the date on which that information was obtained, DCF would have to make every reasonable effort to contact the clerk of courts to obtain a copy of the criminal complaint and judgment of conviction relating to that violation.

Notwithstanding the general requirements, DCF would not have to obtain the information specified above, with respect to a person under 18 years of age whose background check request indicates that the person is not ineligible to be permitted to reside at a child care program for a reason specified below regarding ineligibility due to illegal activity and with respect to whom DCF otherwise has no reason to believe that the person is ineligible to be permitted to reside for any of those reasons. This paragraph does not preclude DCF from obtaining, at its discretion, the information specified above with respect to a person described in this paragraph who is a nonclient resident or a potential nonclient resident of a child care program.

DCF would have to require the person who is the subject of a search to be fingerprinted on two fingerprint cards, each bearing a complete set of the person's fingerprints, or by other technologies approved by law enforcement agencies, unless the person has previously been fingerprinted under this paragraph.

Every year or at any time that it considers appropriate, DCF could request the following information for all caregivers seeking licensure, certification, or a contract with a school board, nonclient residents of such a caregiver, and other caregivers who have direct contact with clients:

- a. A fingerprint-based criminal history search from the records maintained by DOJ;
- b. Information that is contained in DHS's nurses aides registry regarding any findings against the person;
- c. Information maintained by DSPS regarding the status of the person's credentials, if applicable;
- d. Information maintained by DCF regarding any final determination or, if a contested case hearing is held on such a determination, any final decision that the person has abused or neglected a child; and
- e. Information maintained by DHS regarding any denial to the person of a license, continuation or renewal of a license, certification, or a contract to operate an entity or a child care program, and regarding any denial to the person of employment at, a contract with, or permission to reside at an entity or a child care program for any of the following reasons: (1) that the person has been convicted of a serious crime or adjudicated delinquent on or after his or her 10th birthday for committing a serious crime or that the person is the subject of a pending criminal charge or delinquency petition alleging that the person has committed a serious crime on or after his or her 10th birthday; (2) that a unit of government or a state agency has made a finding that the person has abused or neglected any client or misappropriated the property of any client; (3) that a final determination has been made or, if a contested case hearing is held on such a determination, a final decision has been made that the person has abused or neglected a child; or (4) that, in the case of a position for which the person must be credentialed by DSPS, the person's credential is not current or is limited so as to restrict the person from providing adequate care to a client.

For the purposes of these provisions, "direct contact" would mean face-to-face physical proximity to a client that affords the opportunity to commit abuse or neglect of a client or to misappropriate the property of a client.

Penalties

A child care program that violates these provisions would be subject to a forfeiture of not more than \$1,000 and to other sanctions specified by DCF by rule, as would a person who provides false information to DCF.

Required Denial of Licensure, Certification, Employment or Residency

Notwithstanding the fair employment statutes regarding criminal records, and except as provided below, DCF could not license, or continue or renew the license of, a person to operate a child care center, a certifying agency (DCF in Milwaukee County, a county department, or a contracted agency) could not certify a child care provider, a school board could not contract with a person to operate a child care program, and a child care program could not employ or contract with an caregiver if they know or should have known any of the following:

- a. That the person has been convicted of a serious crime or adjudicated delinquent on or after his or her 10th birthday for committing a serious crime or that the person is the subject of a pending criminal charge or delinquency petition alleging that the person has committed a serious crime on or after his or her 10th birthday.
- b. That a unit of government or a state agency has made a finding that the person has abused or neglected any client or misappropriated the property of any client.
- c. That a final determination has been made or, if a contested case hearing is held on such a determination, a final decision has been made that the person has abused or neglected a child.
- d. That DCF has determined the person ineligible to be licensed or certified, contract with a school board, be employed as a caregiver at a child care program, or be a nonclient resident at a child care program.
- e. That the person has refused to provide required information, or that the person refused to participate in, cooperate with, or submit required information for the criminal background check, including fingerprints.
- f. That the person knowingly made a materially false statement in connection with the person's criminal background check.
- g. That the person knowingly omitted material information requested in connection with the person's criminal background check.

However, a child care license, certification, or contract could be issued, conditioned on the receipt of the information from the criminal background check indicating that the person is not ineligible to be so licensed, certified, or contracted with for a reason specified above.

Also, a child care program could employ or contract with a potential caregiver or permit a potential nonclient resident to reside at the child care program for up to 45 days from the date a background check request is submitted pending the completion of the Department's report on the check if DCF provides a preliminary report to the child care program indicating that the potential caregiver or nonclient resident is not ineligible to work or reside at a child care program. At all times that children in care are present, an individual who received a qualifying result on a background check within the past five years would have to supervise a potential employee or nonclient resident permitted to work or reside at the child care program under this paragraph.

DCF would have to provide the results of the criminal background check to the child care program in a written report that indicates only that the individual on whom the background check was conducted is eligible or ineligible for employment or to reside at the child care program, without revealing any disqualifying crime or other information regarding the individual.

DCF would have to provide the results of the criminal background check to the individual on whom it was conducted in a written report that indicates whether the individual is eligible or ineligible for employment or to reside at the child care program. If the individual is ineligible, DCF's report would have to include information on each disqualifying crime and information on the right to appeal.

Before DCF completes its report to the child care program, a caregiver would be allowed to submit a written request to DCF for a preliminary report indicating whether a potential caregiver or nonclient resident is eligible to work or reside at a child care program. If DCF receives such a request, it would have to provide a written preliminary report to that caregiver indicating whether the individual is barred from employment as a caregiver or residence as a nonclient resident on the basis of a background check. If so, DCF would also have to provide a preliminary report to the individual containing information related to each disqualifying crime. The results of a preliminary report could not be appealed by the individual until receipt of DCF's final report following completion of all components of the criminal background check.

Appeals

An individual who is the subject of DCF's report on the results of a criminal background check could appeal the Department's decision. Only the person who is the subject of the report could appeal. An appeal request would have to be submitted to DCF at the address, e-mail address, or fax number identified in the statement of appeal rights no later than 60 days after the date of the Department's decision, unless the appellant requests, and DCF grants, an extension for a specific amount of time prior to expiration of the 60 day appeal period. Extensions could be granted for good cause shown. An appeal would have to be submitted in the manner and on forms prescribed by DCF and include: (a) the information or issue disputed by the individual; (b) any information known to the individual, or available to the individual through the exercise of reasonable diligence, that supports the individual's position; (c) the current or last known names, addresses, telephone numbers, and email addresses of any persons known or believed to have information relevant to determination of the appeal; and (d) copies of any documents or other materials in the possession of the individual, or reasonably available to the individual, that support the individual's position regarding the disputed information.

DCF would have to attempt to verify the accuracy of the information challenged by the appellant, including making reasonable good faith efforts to locate any missing information regarding the disqualifying crime that is relevant to the issue identified for appeal. DCF would have to sustain the results of its criminal background check report if supported by a preponderance of the available evidence.

DCF would have to issue its appeal decision in writing. If the results of the original report are sustained, the decision would have to indicate DCF's efforts to verify the accuracy of the information challenged by the individual. The decision would also have to indicate any

additional reconsideration and appeal rights available to the appellant.

An appellant could seek reconsideration of DCF's decision by the Secretary of DCF or the Secretary's designee. A request for reconsideration detailing the basis for the request would have to be sent to the Secretary at the address, e-mail address, or fax number identified in the department's decision no later than 30 days after the date of the decision. The Secretary or Secretary's designee would have to issue his or her reconsideration decision in writing and include information about any additional appeal rights available to the individual. A denial of reconsideration would be a final decision of DCF, and the appellant would have a right to a contested case hearing under Chapter 227.

The above appeal and reconsideration process would be the exclusive method for disputing a criminal history background report issued by DCF. The report could not be appealed in a Chapter 68 or 227 proceeding challenging the denial of a license, certification, or contract to operate a child care program based on DCF's criminal history background check report or challenging any other child care regulatory action taken in reliance upon that report.

Annual Report

Annually, by January 1, DCF would have to submit a report to the appropriate standing committees of the legislature describing the report prepared for the child care program with respect to individual caregivers, specifically any information indicating that the caregiver is ineligible to be licensed, certified, or contracted to operate a child care program as a result of a background check, and describing any action taken in response to the receipt of information indicating that such a caregiver is so ineligible.

Confidentiality

DCF could not publicly release or disclose the results of any criminal individual background report it issues, except that it could release aggregated data by crime from criminal background check results so long as the data does not contain personally identifiable information. DCF could disclose and use information obtained in conducting criminal background checks as necessary during an appeal or reconsideration.

Rehabilitation

DCF could license to operate a child care program, DCF, a county department or a contract agency could certify, and a school board could contract with a person who otherwise could not be licensed, certified, or contracted with as a result of a background check, and a child care program could employ, contract with, or permit to reside at the child care program a person who otherwise could not be so employed, contracted with, or permitted to reside, if the person demonstrates by clear and convincing evidence and in accordance with procedures established by DCF by rule or by the tribe that he or she has been rehabilitated.

However, no person who has been convicted or adjudicated delinquent on or after his or her 10th birthday for committing any of the crimes identified as serious offenses (except for those listed under "i" through "k" under that definition) or for a violation of the law of any other

state or US jurisdiction that would be such a violation if committed in this state or who is the subject of a pending criminal charge or delinquency petition alleging that the person has committed any of those offenses on or after his or her 10th birthday would be permitted to demonstrate that he or she has been rehabilitated.

Notwithstanding the general restriction, if a person was convicted or adjudicated delinquent on or after his or her 10th birthday for committing any of the offenses listed in "i" or "j" in the definition of serious offenses and the person completed his or her sentence, including any probation, parole, or extended supervision, or was discharged by the Department of Corrections, five or more years before the date of the background investigation, then the conviction or delinquency adjudication alone would not make the person ineligible to be licensed or certified as a child care provider, contracted with a school board to provide child care, or employed by, contracted with, or permitted to reside at a child care program and, with respect to that conviction or delinquency adjudication, the person would not have to demonstrate that he or she has been rehabilitated before being so licensed, certified, contracted with, employed, or permitted to reside.

Any person who is permitted but fails to demonstrate to DCF that he or she has been rehabilitated could appeal to the Secretary of DCF or his or her designee. Any person who is adversely affected by a decision of the Secretary or his or her designee would have a right to a contested case hearing under Chapter 227. Any person who is permitted but fails to demonstrate to a county department or other certifying agency that he or she has been rehabilitated could appeal to the director of the county department or his or her designee. Any person who is adversely affected by a decision of the director or his or her designee would have a right to appeal under Chapter 68. Any person who is permitted but fails to demonstrate to a school board that he or she has been rehabilitated could appeal to the State Superintendent of Public Instruction or his or her designee. Any person who is adversely affected by a decision of the State Superintendent or his or her designee would have a right to a contested case hearing under Chapter 227.

Any Indian tribe that chooses to conduct rehabilitation reviews would have to submit to DCF a rehabilitation review plan that includes all of the following: (a) the criteria to be used to determine if a person has been rehabilitated; (b) the title of the person or body designated by the Indian tribe to whom a request for review must be made; (c) the title of the person or body designated by the Indian tribe to determine whether a person has been rehabilitated; (d) the title of the person or body, designated by the tribe, to whom a person may appeal an adverse decision made by the person specified under (c) and whether the tribe provides any further rights to appeal; (e) the manner in which the tribe will submit information relating to a rehabilitation review to DCF so that DCF may include that information in its report to the legislature; and (f) a copy of the form to be used to request a review and a copy of the form on which a written decision is to be made regarding whether a person has demonstrated rehabilitation.

If, within 90 days after receiving the plan, DCF does not disapprove it, the plan would be considered approved. If, within 90 days, DCF disapproves the plan, it would have to provide written notice of the disapproval to the tribe, together with the reasons for the disapproval. DCF could not disapprove a plan unless it finds that the plan is not rationally related to the protection

of clients. If DCF disapproves the plan, the tribe could, within 30 days after receiving notice of the disapproval, request that the Secretary review the decision. A final decision under this paragraph would not be subject to further administrative review.

Annually, by January 1, DCF would have to submit a report to the Legislature that specifies the number of persons in the previous year who have requested to demonstrate that they have been rehabilitated, the number of persons who successfully demonstrated that they have been rehabilitated, and the reasons for the success or failure of a person who has attempted to demonstrate that he or she has been rehabilitated.

Other Grounds for Denial of Licensure, Certification, Employment, or Residency

Notwithstanding the fair labor statutes regarding criminal convictions, DCF or another certifying entity could refuse to license or certify a person to operate a child care facility, a school board could refuse to contract with a person for child care, and a child care program could refuse to employ or contract with a caregiver or permit a nonclient resident to reside at the child care program if the person has been convicted of or adjudicated delinquent on or after his or her 10th birthday for an offense that is not a serious crime, but that is, in the estimation of DCF, substantially related to the care of a client. DCF would have to notify the provider and the individual of the results of a substantially-related determination pursuant to the process set forth for criminal background check determinations. The individual would have the same appeal rights as set forth above, and the same appeal procedures would apply.

Background Check Training Sessions; Rules

DCF would be required to conduct throughout the state periodic training sessions that cover procedures and uses of criminal background investigations; reporting and investigating misappropriation of property or abuse or neglect of a client; and any other material that would better enable entities to comply with these requirements.

DCF would be authorized to promulgate any rules necessary for the administration of these provisions. DCF could promulgate the rules as emergency rules without providing evidence that promulgating emergency rules is necessary for the preservation of the public peace, health, safety, or welfare and without providing a finding of emergency.

Other Changes

Training Requirements for Child Care Providers

Under current law, DCF must promulgate rules establishing standards for the certification of child care providers. DCF must consult with the Child Abuse and Neglect Prevention Board before promulgating those rules. In establishing the requirements for certification, DCF must include a requirement that all providers and all employees and volunteers of a provider who provide care and supervision for children receive, before the date on which the provider is certified or the employment or volunteer work commences, whichever is applicable, all of the following:

- a. Training in the most current medically accepted methods of preventing sudden

infant death syndrome, if the provider, employee, or volunteer provides care and supervision for children under one year of age. The rules must provide that any training in those methods that a provider, employee, or volunteer has obtained in connection with military service counts toward satisfying the training requirement, if the provider, employee, or volunteer demonstrates to DCF's satisfaction that the training obtained in that connection is substantially equivalent to the training required under this paragraph.

b. Training relating to shaken baby syndrome and impacted babies, if the provider, employee, or volunteer provides care and supervision for children under five years of age.

In establishing the requirements for certification as a Level II certified family child care provider, DCF may not include any requirement for training for those providers other than the training required under "a" and "b" above.

Under the bill, instead of the above training requirements for certification, DCF would have to include a requirement that all providers and all employees and volunteers of a provider who provide care and supervision for children receive the minimum health and safety training required below.

A level I certified family child care provider would have to successfully complete DCF-approved preservice health and safety training in the topics specified below by no later than the date of certification. A level II certified family child care provider or an employee or volunteer of a level I or level II certified family child care provider who is not the primary provider of care and supervision for children would have to successfully complete such training by no later than the end of the orientation period available under federal law (which is within three months of starting employment). The training would have to include all of the following topics:

a. The prevention and control of infectious diseases, including by means of immunizations.

b. The prevention of sudden infant death syndrome and use of safe sleeping practices.

c. The administration of medication, consistent with parental consent.

d. The prevention of and response to emergencies due to allergic reactions to food or other allergens.

e. Building and physical premises safety, including identification of and protection from electrical hazards, bodies of water, vehicular traffic, and other hazards that can cause bodily injury.

f. The prevention of shaken baby syndrome and abusive head trauma.

g. Emergency preparedness and response planning for emergencies resulting from natural disaster or human-caused events.

h. The handling and storage of hazardous materials and the appropriate disposal of biocontaminants.

- i. If applicable, appropriate precautions in transporting children.
- j. First aid and cardiopulmonary resuscitation.

A child care provider or employee or volunteer of a child care provider would also have to complete ongoing in-service training on an annual basis including training on these topics.

Age of Delinquency

Current law includes a number of provisions that refer to delinquent acts committed after an individual's 12th birthday. The bill would reduce the age threshold to 10 years in these provisions and in the new statutes for child care providers.

Certification of Level I Child Care Providers

Under current law, no provider may be certified as a Level I certified child care provider if the provider is a relative of all of the children for whom the provider provides care. The bill would delete this provision. DCF indicates that it is expected that most level II certified providers would qualify for level I certification (or for licensing) under the new training requirements.

Tribal Certification

The bill would clarify that DCF may contract with an Indian tribe to certify child care providers in a particular tribal unit.

Notice Requirement

Under current law, if a certified child care provider is convicted of a serious crime, or if a caregiver or a nonclient resident of the provider is convicted or adjudicated delinquent for committing a serious crime, the certifying entity (DCF in Milwaukee County or a county department or contracted agency elsewhere) must revoke the provider's certification immediately upon providing written notice of revocation and the grounds for revocation and an explanation of the process for appealing the revocation. The bill would specify that revocation would be required if DCF provides written notice of a decision that the child care provider, caregiver, or nonclient resident is ineligible for certification, employment, or residence at the child care provider as the result of a background investigation.

Current Definitions of "Client" and "Nonclient Resident"

Under current law, "client" means a child who receives direct care or treatment from an entity or from a caregiver. The bill would add to this definition a child who receives direct care or treatment from a child care program and specify that "client" includes: (a) an adopted child for whom adoption assistance payments are being made; (b) a child for whom subsidized guardianship payments are being made; and (c) a person who is 18 to 21 years old, is receiving independent living services from an agency, is no longer placed in out-of-home care, and is residing in the foster home in which he or she was previously placed.

Currently, "nonclient resident" means a person who resides, or is expected to reside, at an entity or with a caregiver who is not a client of the entity or caregiver and who has, or is expected to have, regular, direct contact with clients. The bill would specify that this definition includes persons who are under age 18 but not under age 10.

Pending Investigations

The bill would specify that if DCF learns that a caregiver or nonclient resident is the subject of a pending investigation for a crime or offense that could result in a bar to employment as a caregiver or residence at an entity that provides care or services to children, DCF would be able to notify the entity of the pending investigation. However, a change in language would be necessary to reflect the intent of the bill.

DCF Rules

The bill would authorize DCF to promulgate any rules necessary for administering the existing background check provisions.

Denial of Employment or Residency

Under current law, if a person who has been issued a license or a probationary license to operate a child care center is convicted of a serious crime, or if a caregiver or a nonclient resident of the child care center is convicted or adjudicated delinquent for committing a serious crime, DCF must revoke the license of the child care center immediately upon providing written notice of revocation and the grounds for revocation and an explanation of the process for appealing the revocation. The bill would also require revocation or denial of employment or residency if the results of a criminal background check indicate that the person is not eligible to be licensed, certified, or employed or to reside at a child care program.

Nonpayment of Child Care Providers

Under current law, if a child care provider is convicted of a serious crime, or if a caregiver or a nonclient resident of the provider is convicted or adjudicated delinquent for committing a serious crime, DCF or a county department must refuse to pay the provider for any child care provided beginning on the date of the conviction or delinquency adjudication. The bill would specify that this provision also applies if DCF provides written notice that the child care provider, caregiver, or nonclient resident is ineligible for certification, employment, or residence at the child care provider as a result of a background check under the bill's provisions.

Currently, DCF or a county department may refuse to pay a child care provider for child care provided if certain conditions apply to the provider or to a caregiver or nonclient resident of the provider. One of the conditions is that the person has been convicted of or adjudicated delinquent for an offense that is not a serious crime but DCF, another certifying entity or a school board determines that the offense substantially relates to the care of children or DCF or the county department determines that the offense substantially relates to the operation of a business. Another condition is that the person is a caregiver or a nonclient resident and is the subject of a pending criminal charge that DCF, another certifying entity or a school board

determines substantially relates to the care of children. The bill would specify that only DCF (and not another certifying entity or school board) could determine that an offense substantially relates to the care of children.

Under current law, if a child care provider is convicted of a serious crime, or if a caregiver or a nonclient resident of the child care provider is convicted or adjudicated delinquent for committing a serious crime, DCF or the county department must refuse to allow payment to the child care provider for any child care provided beginning on the date of the conviction or delinquency adjudication. The bill would also require payment to be withheld if DCF provides written notice that the child care provider, caregiver, or nonclient resident is ineligible for certification, employment, or residence at the child care provider as a result of a background check.

Currently, DCF or the county department may refuse to allow payment to a child care provider if certain conditions apply to the provider or to a caregiver or nonclient resident of the provider. One of the conditions is that the person has been convicted of or adjudicated delinquent for committing an offense that is not a serious crime but DCF, the county department, other certifying entity, or school board determines that the offense substantially relates to the care of children or DCF or the county department determines that the offense substantially relates to the operation of a business. The bill would specify that only DCF could make a determination regarding whether an offense substantially relates to the care of children or the operation of a business.

Notice to DHS by School Boards

Current law authorizes school boards to establish and provide or contract for the provision of child care programs for children. Such programs must meet the standards for licensed child care centers established by DCF, and DCF may visit and inspect the premises of, inspect the records of, and investigate and prosecute any alleged violations occurring at any such child care program that receives a subsidy payment. If a school board proposes to contract for the provision of a child care program or if on July 1, 1996, a school board was a party to a contract for the provision of a child care program under this provision, it must refer the proposed contractor to DCF for the required criminal history and child abuse record search under Chapter 48. Each school board must provide DHS with information about each person who is denied a contract for a reason specified below:

a. The person has been convicted of a serious crime or, if the person is seeking issuance or continuation of a license to operate a child care center, renewal of certification, or renewal of a contract with a school board to operate a child care program and has been convicted of a serious crime, or adjudicated delinquent for committing a serious crime, or that the person is the subject of a pending criminal charge or delinquency petition alleging that the person has committed a serious crime on or after his or her 12th birthday.

b. A unit of government or a state agency has made a finding that the person has abused or neglected any client or misappropriated the property of any client.

c. A final determination has been made or, if a contested case hearing is held on such a

determination, a final decision has been made that the person has abused or neglected a child.

d. In the case of a position for which the person must be credentialed by DSPS, the person's credential is not current or is limited so as to restrict the person from providing adequate care to a client.

The bill would eliminate the required notification to DHS. DCF indicates that it automatically shares such information with DHS.

Effective Date

These provisions would take effect on September 30, 2018. Federal law requires that all states have policies and procedures in place that meet federal background check requirements no later than September 30, 2017. DCF has applied for a one-year extension of this deadline.

[Bills Sections: 380, 394, 397, 776 thru 784, 786 thru 833, 836 thru 843, 845, 846, 849 thru 854, 871 thru 873, 876 thru 880, 1625 thru 1628, 2245, 9106(1), and 9406(2)]

Child Support

1. REQUIRE CHILD SUPPORT COMPLIANCE FOR FOOD-SHARE

GPR	\$140,300
FED	<u>272,200</u>
Total	\$412,500

Governor: Restore the child support cooperation requirement in the FoodShare supplemental nutrition assistance program as a condition of eligibility and provide DCF with \$140,300 GPR and \$272,200 FED in 2017-18 to implement the change. The funding would support administrative costs of verifying child support compliance, including modifications to the kids information data system (KIDS) to allow automatic referrals to the CARES information system. The source of the federal funding would be matching funds for reimbursing administrative costs in the child support enforcement program.

For additional information, see "Health Services -- FoodShare."

[Bill Sections: 958, 959, and 961 thru 963]

2. SUPPORTING PARENTS SUPPORTING KIDS DEMONSTRATION PROGRAM

GPR	\$188,300
FED	365,300
PR	<u>443,000</u>
Total	\$996,600

Governor: Provide \$68,000 PR in 2016-17 and \$928,600 (\$188,300 GPR, \$365,300 FED, and \$375,000 PR) in 2018-19 to support an expansion of the supporting parents supporting kids (SPSK) program into three additional counties in 2018-19. The program revenue would transfer from TANF-related programs child

support collections from W-2 participants. The federal revenue would be matching funds for reimbursing administrative costs in the child support enforcement program.

Wisconsin currently receives federal child support noncustodial parent employment demonstration (CSPED) funding to operate the SPSK program in Brown and Kenosha Counties. The program assists low-income noncustodial parents who are unemployed and not meeting their child support payment obligations by providing partial suspension of administrative enforcement measures, assistance with job search and job skills, training on child development, and parental programming to connect with their children.

Wisconsin applied for, and received, a federal waiver to continue the program into 2017-18. This allows Wisconsin to receive federal matching funds on state spending. In utilizing the new funding, DCF intends to change the program from voluntary participation into mandatory court-ordered participation.

Under the bill, it is assumed that CSPED funding for SPSK will cease in 2018-19. Instead, SPSK would be funded by the GPR, program revenue, and federal matching funds described above. In addition, the state funding in 2017-18 will likely generate additional federal matching funds (currently estimated at \$132,000), although not included in the appropriation schedule under the bill. It is not yet known whether Wisconsin would receive an additional federal waiver for 2018-19.

The additional funding under the bill for the PSPK program would be divided between: (a) grants to counties (\$200,000 in 2017-18 and \$375,000 in 2018-19); and (b) program administration, including program evaluation, training, and automation costs (\$553,600 in 2018-19).